

HOUSE BILL No. 1005

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4.

Synopsis: Funding for rural development programs. Establishes the rural development administration fund and the rural development council fund. Provides for annual distributions during each of the next 10 state fiscal years from tobacco securitization proceeds to the rural development administration fund, the rural development council fund, and the value added research fund. Annually appropriates the money distributed to the funds.

Effective: July 1, 2003.

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January 15, 2003, read first time and referred to Committee on Agriculture, Natural Resources and Rural Development.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1005

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-9.3 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]:

4 **Chapter 9.3. Rural Development Administration Fund**

5 **Sec. 1. (a) The rural development administration fund is**
6 **established for the purpose of enhancing and developing rural**
7 **communities. The fund shall be administered by the Indiana rural**
8 **development council.**

9 **(b) The expenses of administering the fund shall be paid from**
10 **the money in the fund.**

11 **(c) Notwithstanding IC 5-13, the treasurer of state shall invest**
12 **the money in the fund not currently needed to meet the obligations**
13 **of the fund under IC 5-10.3-5. The treasurer of state may contract**
14 **with investment management professionals, investment advisers,**
15 **and legal counsel to assist in the management of the fund and may**
16 **pay the state expenses incurred under those contracts.**

17 **(d) Money in the fund at the end of a state fiscal year does not**



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revert to the state general fund.

Sec. 2. (a) Money in the fund may be used for the following purposes:

(1) To create, assess, and assist a pilot project to enhance the economic and community development in a rural area.

(2) To establish a local revolving loan fund for an industrial, a commercial, an agricultural, or a tourist venture.

(3) To provide a loan for an economic development project in a rural area.

(4) To provide technical assistance to a rural organization.

(5) To assist in the development and creation of a rural cooperative.

(6) To address rural workforce development challenges.

(7) To assist in addressing telecommunications needs in a rural area.

(b) Expenditures from the fund are subject to appropriation by the general assembly and approval by the Indiana rural development council under IC 4-4-9.5. The council may not approve an expenditure from the fund unless the rural development administration advisory board established by section 3 of this chapter has recommended the expenditure.

Sec. 3. (a) The rural development administration advisory board is established to make recommendations concerning the expenditure of money from the fund.

(b) The advisory board shall meet at least four (4) times per year and shall also meet at the call of the executive director of the rural development council.

(c) The advisory board consists of the following members:

(1) The executive director of the Indiana rural development council, who serves as an ex officio member and as the chairperson of the advisory board.

(2) Two (2) members of the senate, who may not be members of the same political party, and who are appointed by the president pro tempore of the senate.

(3) Two (2) members of the house of representatives, who may not be members of the same political party, and who are appointed by the speaker of the house of representatives.

(4) A representative of the commissioner of agriculture, to be appointed by the governor.

(5) A representative of the department of commerce, to be appointed by the governor.

(6) A representative of the department of workforce

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development, to be appointed by the governor.

(7) Two (2) persons with knowledge and experience in state and regional economic needs, to be appointed by the governor.

(8) A representative of a local rural economic development organization, to be appointed by the governor.

(9) A representative of a small town or rural community, to be appointed by the governor.

(10) A representative of the rural development council, to be appointed by the governor.

(11) A representative of rural education, to be appointed by the governor.

(12) A representative of the league of regional conservation and development districts, to be appointed by the governor.

(13) A person currently enrolled in rural secondary education, to be appointed by the governor.

(d) The members of the advisory board listed in subsection (c)(1) through (c)(3) are nonvoting members.

(e) The term of office of a legislative member of the advisory board is four (4) years. However, a legislative member of the advisory board ceases to be a member if the member:

(1) is no longer a member of the chamber from which the member was appointed; or

(2) is removed from the advisory board by the appointing authority who appointed the legislator.

(f) The term of office of a voting member of the advisory board is four (4) years. However, these members serve at the pleasure of the governor and may be removed for any reason.

(g) If a vacancy exists on the advisory board, the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy for the balance of the unexpired term.

(h) Six (6) voting members of the advisory board constitute a quorum for the transaction of business at a meeting of the advisory board. The affirmative vote of at least six (6) voting members is necessary for the advisory board to take action.

SECTION 2. IC 4-4-9.5-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) The rural development council fund is established to be used exclusively for the purposes set forth in sections 2 and 3 of this chapter. The fund shall be administered by the council.



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(b) The expenses of administering the fund shall be paid from the money in the fund.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisers, and legal counsel to assist in the management of the fund and may pay the state expenses incurred under those contracts.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 3. IC 4-4-34 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 34. Rural Development Program Distributions

Sec. 1. As used in this chapter, "authority" refers to an authority, separate from the state, established to securitize payments received under the master settlement agreement (as defined in IC 24-3-3-6).

Sec. 2. As used in this chapter, "other operating expenses" includes payments for services other than personal, services by contract, supplies, materials, and parts, grants, subsidies, refunds, and awards, in-state travel, out-of-state travel, and equipment.

Sec. 3. As used in this chapter, "personal services" includes payments for salaries and wages to officers and employees of the state (either regular or temporary), payments for compensation awards, and the employer's share of Social Security, health insurance, life insurance, disability and retirement fund contributions.

Sec. 4. As used in this chapter, "total operating expenses" includes payments for both personal services and other operating expenses.

Sec. 5. The authority shall, on the schedule approved by the budget agency, make the following annual distributions to the treasurer of state for deposit in the indicated funds during each state fiscal year beginning on July 1, 2003, through June 30, 2013:

(1) Six hundred thousand dollars (\$600,000) for deposit in the value added research fund (IC 4-4-3.4-4).

(2) Two million four hundred thousand dollars (\$2,400,000) for deposit in the rural development administration fund (IC 4-4-9.3).

(3) One million two hundred thousand dollars (\$1,200,000) for deposit in the rural development council fund (IC 4-4-9.5-4).

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1 **Sec. 6. If there is insufficient money in the fund for the authority**
2 **to make the transfers required under section 5 of this chapter for**
3 **any fiscal year, the authority shall make the transfers as directed**
4 **by the budget agency after review by the budget committee.**

5 **Sec. 7. Six hundred thousand dollars (\$600,000) is annually**
6 **appropriated from the money distributed under this chapter to the**
7 **value added research fund for total operating expenses to carry out**
8 **the purposes described in IC 4-4-3.4-4.**

9 **Sec. 8. Two million four hundred thousand dollars (\$2,400,000)**
10 **is annually appropriated from the money distributed under this**
11 **chapter to the rural development administration fund for total**
12 **operating expenses to carry out the purposes of IC 4-4-9.3-2.**

13 **Sec. 9. One million two hundred thousand dollars (\$1,200,000)**
14 **is annually appropriated from the money distributed under this**
15 **chapter to the rural development council fund for total operating**
16 **expenses to carry out the purposes of IC 4-4-9.5.**

17 **Sec. 10. This chapter expires June 30, 2013.**

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